

Highlights of the Seventh Roundtable Meeting on the Department of Energy's Natural Gas Business Development Program for Women and Minority-Owned Business Enterprises

June 12, 1998

C The DOE Natural Gas Business Development Program for Women and Minority-Owned Business Enterprises will be a sponsor at the upcoming Minority Enterprise Development (MED) Week. Hosted by the Department of Commerce, the Minority Business Development Agency, and the Small Business Administration, MED Week will be held in Washington, D.C. on September 21-25. DOE will have a booth at the Trade Fair, will hold a workshop on the economic benefits of purchasing natural gas from WMBE suppliers, and will present an award to the Program's AMinority Business Person Of the Year@

C We are still working on getting Community Reinvestment Act (CRA) Credit for the Funds Transfer Agent (FTA) Agreement. We are working with Margaret Hess, from the Office of the Comptroller of the Currency (OCC), to qualify the FTA Agreement for CRA Credit as part of an official rule-making. OCC auditors began reviewing our request for CRA qualification in February and we expect to have their response by the end of the summer.

C Guest speakers at the meeting included:

-- John Kell, from PS Energy Group, Inc. He spoke about a recent transaction his company negotiated, involving swapping coal for power. Kell explained the deal illustrated some key ingredients for a successful energy swap, including utility companies that were receptive to new concepts for reducing costs, a company that was promoting new and non-traditional energy solutions in the marketplace, and a marketing company willing to team up with the other players.

-- Lisa Broadway Leiu from SoCal Gas spoke about the SoCal Gas/PGE Energy Marketplace, a web site her company developed for customers to shop for natural gas on the Internet. She said that the goal for the web site was to eliminate transaction costs, with a more efficient market that increased access to customers. The web site offered customers more choices among marketers, whereas in a conventional marketplace there might have been only one or two marketers to choose from whom had the resources sufficient to contact those customers. She said that SoCal planned to offer electricity (and possibly other commodities) on the web site marketplace in the future.

-- Gil Lucas of XL Associates spoke about another web site that his company was developing. He said that he wanted to assist roundtable members in borrowing money to grow their companies, with financing that was beyond the capacity of the Department of Energy to provide. He said that his web page could facilitate the deal-making process between companies and eliminate the potential hesitancy of some companies to negotiate with larger organizations. He said that his web site would focus on minority companies participating and exchanging information with large buyers, with no limitations on the potential growth of the minority firms within the program.

-- Kermit Witherbee, of the Bureau of Land Management (BLM), gave a presentation on BLM's Naval Oil Shale Reserves Lease Sale Program. Witherbee discussed sites to be offered in upcoming BLM lease sales. He explained that last year, the Naval Oil Shale Reserves #1 and #3 in Colorado were transferred to BLM for leasing.

The transfer included fifty-nine producing properties, 24 of which were 100% owned and operated by the Department of Energy within the Naval Oil Shale Reserve #3. It also included additional wells, because the Department of Energy had entered into operating agreements, and communization agreements with properties located outside of the Naval Oil Shale Reserve. All surface facilities, e.g. producing wells, gathering systems, tanks, will be sold with the leases.

C It was agreed that DOE would talk to the SBA and find out who is involved in tracking compliance with the \$3 billion Memorandum of Understanding with the big three automakers. Possibly can use the MOU as a way to get automakers to purchase natural gas from WMBEs.

C Percy McCraney of the DOE's Office of Small and Disadvantaged Business Utilization announced that his office each year recognized significant contributions on behalf of small women and minority-owned businesses in an annual award ceremony. He said that his office wanted to recognize the Office of Fossil Energy and Assistant Secretary Pat Godley, as well as Pete Lagiovane and Christopher Freitas for their efforts on behalf of the roundtable. He then presented U.S. DOE Appreciation Awards to Lagiovane and Freitas for their efforts in championing the DOE WMBE program.

